



January 14, 2015

Item No. 8A

**AUTHORIZATION TO EXECUTE A CONTRACT WITH OLD VETERAN CONSTRUCTION COMPANY,  
LLC FOR THE RENOVATION AND REDEVELOPMENT AT ALTGELD GARDENS BLOCKS 7 and 8.**

**To the Honorable Board of Commissioners:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Old Veteran Construction Company, LLC. for the renovations and redevelopment at Altgeld Gardens Blocks 7 & 8 in the firm fixed amount of 53,289,600 plus a not to exceed amount of \$3,197,376 in contingency (6%, which is in line with industry standards) strictly limited to potential change orders justified as a discovered conditions, historic preservation compliance or code compliance issues for a total amount not to exceed \$56,486,976. The Scope of Work is to be completed within three hundred sixty five (365) calendar days of the date set forth in the Notice to Proceed. Altgeld Blocks 7 & 8 are located at: Block 7: 13333-43 S. Corliss, 13132-42 S. Ingleside, 801-23 E. 131st Street, 13145-75 S. Corliss, 13108-30 S. Ingleside, 900-22 E. 132nd Street, 13109-31 S. Corliss, 800-22 E. 132nd Street , 901-23 E. 131st Street, 13144-66 S. Ingleside, 13101-07 S. Corliss, 13169-75 S. Corliss, 13100-06 S. Ingleside, 13168-74 S. Ingleside; Block 8: 936-46 E. 133rd Street, 900-10 E. 133rd Street, 13250-60 S. Ellis, 912-34 E. 133rd Street, 13226-48 S. Ellis, 972-94 E. 133rd Street, 948-70 E. 133rd Street, 967-89 E. 132nd Place, 13262-84 S. Ellis, 13218-24 S. Ellis, 13286-92 S. Ellis, Chicago, IL 60627. Execution of said contract shall not occur until the Board approves mobility counseling demonstration program for offering housing choice vouchers to families on CHA's public housing waitlist for use in general and opportunity areas.

The Deputy Chief of the Capital Construction Department, the Office of the General Counsel, and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE GOAL:** Ensure the Chicago Housing Authority's portfolio is safe, decent and sustainable.

**FUNDING:** General Fund

**SOLICITATION SUMMARY**

**Specification No.:** IFB 14-01362R/14-01389

**Vender:** Old Veteran Construction Company, LLC.  
10942 S. Halsted  
Chicago, IL 60628

**Contract Type:**  
Construction Services  
**Base Contract Amount:** \$53,289,600  
Contingency amount: Not to Exceed  
\$3,197,376  
The aggregate amount: Not to exceed  
\$56,486,976.

**Contract Period:**  
Scope of Work to be completed within 365 calendar days from the date set forth in the Notice to Proceed

**Option Period:** not applicable  
**Publications:** Chicago Sun-Times, Defender, Extra, CHA website, BuySpeed  
**Vendor List:** 866  
**Pick-Up List:** 65

**Solicitation Release Date:**

August 22, 2014

**Days Advertised:**

14 days

**Addendum(s):**

- 1) August 29, 2014
- 2) September 4, 2014

**Pre-Bid Date:**

**Solicitation Due Date:** September 5, 2014

**Assist Agencies:** 66

**Respondents:** 4

**M/W/DBE Respondents:** 2

<b><u>COMPLIANCE INFORMATION</u></b>	<b>New Hires Needed</b>	<b>Required</b>	<b>Proposed</b>
M/W/DBE Participation		40% (\$21,315,840)	40% (\$21,315,840)
Section 3 Hiring No. (30% of new hires)	73	22	40
Section 3 Business Concern		10% (\$5,328,960)	13.42% (\$7,150,000)
- Other Economic Opportunity			

**GENERAL BACKGROUND /EXPLANATION**

As part of the Capital Improvement Program, the Chicago Housing Authority ("CHA") has developed a 7 Phase plan to renovate and rehabilitate the Altgeld Gardens – Murray Homes Developments. To date, 4 Phases have been completed comprising the renovation of one thousand three hundred twenty three (1,323) units and four (4) new laundry facilities. The total of the two developments currently contains one thousand nine hundred sixty seven (1,967) units, with one hundred twenty (120) proposed for demolition. The renovation work was halted in 2009 before Phase 5 could begin.

This phase (blocks 7 & 8) consists of the complete gut rehabilitation of 218 residential units in 25 existing buildings, including site and civil improvements and landscaping.

**PROCUREMENT INFORMATION**

On August 22, 2014 CHA issued an Invitation for Bid 14-01362R/14-01389 to provide construction services for the renovations of Altgeld Gardens Blocks 7 & 8. The advertisement ran in the Chicago Sun-Times, the Chicago Defender, Extra, on the CHA website, and on BuySpeed Online.

The CHA issued two addendums on August 29, 2014 and September 4, 2014. The addendums changed the due date time and distributed new and revised drawings.

The CHA received and opened 3 bids on September 5, 2014. The apparent low bidder was Old Veteran Construction at \$53,289,600. This amount falls within 11% of the architect's independent cost estimate (industry standard) of \$59,367,000. The next two lowest bids were over .3% and 11% higher than OVC's bid.

#### **RECOMMENDATION**

The Capital Construction Department recommends that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Old Veteran Construction for the renovation and redevelopment at Altgeld Gardens Blocks 7 & 8 for the amount of the winning bid of \$53,289,600 + \$3,197,376 in contingency (6%, which is in line with industry standards) strictly limited to potential change orders (justified as discovered condition or historic preservation and code compliance issues) for a total not-to-exceed amount of \$56,486,976. Execution of said contract shall not occur until the Board approves mobility counseling demonstration program for offering housing choice vouchers to families on CHA's public housing waitlist for use in general and opportunity areas.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (Department of Housing and Urban Development) procurement laws.

The Deputy Chief of the Capital Construction Department concurs with the recommendation to enter into a contract with Old Veteran Construction Company, LLC. for the renovations at Altgeld Gardens Blocks 7 & 8.

The CEO/President recommends approval to enter into a contract with Old Veteran Construction Company for renovations at Altgeld Gardens Blocks 7 & 8.

**RESOLUTION NO. 2015-CHA-9**

**WHEREAS**, the Board of Commissioners has reviewed the Board Letter dated January 14, 2015 entitled "AUTHORIZATION TO EXECUTE A CONTRACT WITH OLD VETERAN CONSTRUCTION COMPANY, LLC. FOR THE RENOVATION AND REDEVELOPMENT AT ALTGELD GARDENS BLOCKS 7 and 8";

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT** the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Old Veteran Construction Company, LLC. for the renovations and redevelopment at Altgeld Gardens Blocks 7 & 8 in the firm fixed amount of 53,289,600 plus a not to exceed amount of \$3,197,376 in contingency (6%, which is in line with industry standards) strictly limited to potential change orders justified as a discovered conditions, historic preservation compliance or code compliance issues for a total amount not to exceed \$56,486,976. The Scope of Work is to be completed within three hundred sixty five (365) calendar days of the date set forth in the Notice to Proceed. Altgeld Blocks 7 & 8 are located at: Block 7: 13333-43 S. Corliss, 13132-42 S. Ingleside, 801-23 E. 131st Street, 13145-75 S. Corliss, 13108-30 S. Ingleside, 900-22 E. 132nd Street, 13109-31 S. Corliss, 800-22 E. 132nd Street , 901-23 E. 131st Street, 13144-66 S. Ingleside, 13101-07 S. Corliss, 13169-75 S. Corliss, 13100-06 S. Ingleside, 13168-74 S. Ingleside; Block 8: 936-46 E. 133rd Street, 900-10 E. 133rd Street, 13250-60 S. Ellis, 912-34 E. 133rd Street, 13226-48 S. Ellis, 972-94 E. 133rd Street, 948-70 E. 133rd Street, 967-89 E. 132nd Place, 13262-84 S. Ellis, 13218-24 S. Ellis, 13286-92 S. Ellis, Chicago, IL 60627. Execution of said contract shall not occur until the Board approves mobility counseling demonstration program for offering housing choice vouchers to families on CHA's public housing waitlist for use in general and opportunity areas.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3, and bonding and insurance requirements.



Chicago Housing Authority  
60 E. Van Buren  
Chicago, IL 60605

312-742-8500

[www.thecha.org](http://www.thecha.org)